GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2087
ANSWERED ON:12.12.2008
SURVEY ON BUSINESS CONFIDENCE INDEX
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

(a)whether National Council of Applied Economic Research has made any survey on business confidence index recently;

(b)if so, the details thereof; and

(c)the reaction of the Government thereto?

Answer

MINISTER OF STATE (EXPENDITURE, BANKING & INSURANCE)(SHRI PAWAN KUMAR BANSAL)

(a)&(b) The National Council of Applied Economic Research (NCAER) carries out quarterly surveys of Business Expectation and constructs the Business Confidence Index (BCI). As per the latest survey results published for July, 2008, the BCI declined by about 15% or 22.9 points over the previous quarter. The NCAER survey also highlights that, despite the lower overall business confidence, there is expectation of positive sales and growth in output. The indicators point to slower growth in exports and imports than sales and production. In other words, the domestic markets are expected to be stronger than the global demand conditions.

(c)As there could be spill over effects of the slowdown in global growth on the domestic economy, the Reserve Bank of India and the Government have initiated monetary and fiscal measures which address the concerns of the stakeholders in the growth process.